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FOR IMMEDIATE RELEASE:

**OWNER OF MORTGAGE BROKERAGE COMPANY
CHARGED IN SECOND INDIANAPOLIS MORTGAGE
FRAUD SCHEME SENTENCED TO 170 MONTHS
IMPRISONMENT FOLLOWING PLEA OF GUILTY**

PRESS RELEASE

Susan W. Brooks, United States Attorney for the Southern District of Indiana, announced that JEFFREY NEELY, 34, of Indianapolis, Indiana, was sentenced to 170 months imprisonment today by Chief U.S. District Judge Larry J. McKinney following his guilty plea to conspiracy, mail fraud, and money laundering. This case was the result of a year long investigation by the United States Attorney's Office Mortgage Fraud Task Force working with the Federal Bureau of Investigation and the Internal Revenue Service.

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NEELY was indicted along with six other defendants in a mortgage fraud and money laundering conspiracy involving loans obtained through Investors Mortgage Group (IMG) on residential properties in Indianapolis from July 1999 to June 2002. JEFFREY NEELY was one of the owners of IMG and was the leader and organizer of the criminal activity who recruited other persons to assist in the scheme including closing agents, appraisers, and investors. After NEELY was unable to persuade real estate appraisers to appraise the property at the inflated values, NEELY began to forge appraisals using the name and license number of an appraiser who had worked with him in the past. The forged appraisals appraised the property for as much as 15 times its true value.

During the course of the scheme, about 75 fraudulent loans were obtained on properties located primarily in Center Township in Indianapolis. Almost all of the loans went into default resulting in losses to the lender of approximately three million dollars. NEELY used the fraudulent loan proceeds to purchase expensive vehicles including a Porsche valued at approximately \$140,000 which was seized by the government during the course of the investigation and a Mercedes. The government also seized \$94,000 in fraudulent loan proceeds from a bank account in NEELY's mother's name during the course of the investigation.

NEELY received more of the money from the scheme than other members of the conspiracy. Evidence introduced at NEELY's detention hearing established that prior to the

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dates charged in the scheme, NEELY obtained fraudulent loans in his name on more than 20 residential properties in Indianapolis between 1997 and 1999.

Susan W. Brooks, United States Attorney stated, “the Mortgage Fraud Task Force is well on its way to accomplishing the goals of the task force. We are educating the public, bringing participants of fraud schemes to justice and hopefully deterring future fraud. Jeffrey Neeley’s sentence sends this message loud and clear.”

According to Assistant United States Attorney Donna R. Eide, who prosecuted the case for the government, Judge McKinney also imposed three years supervised release following release from imprisonment. During the period of supervised release, NEELY must not work in the mortgage lending or title business and was ordered to make restitution in the amount of \$2,055,000.00.

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